



Leo W. Gerard  
International President

June 21, 2007

Case No. A-821-802  
Total No. of Pages: 8  
Suspension Agreement

**PUBLIC DOCUMENT**

**DELIVERY BY HAND**

The Honorable Carlos M. Gutierrez  
Secretary of Commerce  
Attn: Import Administration  
Central Records Unit, Room B-099  
U.S. Department of Commerce  
14<sup>th</sup> Street and Pennsylvania Avenue NW  
Washington, D.C. 20230

Re: Suspension Agreement on Uranium from the Russian Federation

Dear Mr. Secretary:

We submit these comments on the current negotiations with the Russian Ministry of Atomic Energy (Rosatom) in the above-captioned Suspension Agreement<sup>1</sup> on behalf of the United Steel, Paper and Forestry, Rubber, Manufacturing, Energy, Allied-Industrial and Service Workers International Union, AFL-CIO, CLC (USW), formerly the Paper, Allied-Industrial, Chemical & Energy Workers International Union, AFL-CIO, CLC (PACE), domestic co-competitors in this original matter and domestic interested parties in the above-captioned matter.

---

<sup>1</sup> Agreement Suspending the Antidumping Investigation on Uranium from the Russian Federation, 57 Fed. Reg.49235 (Dep't Commerce 1992), as amended.



USW is the successor in interest of PACE following a merger of the two unions on April 12, 2005. PACE was the successor in interest to the Oil, Chemical and Atomic Workers International Union (OCAW), the original co-petitioner in this matter, following a merger with the Paperworkers International Union in January, 1999.

USW is a certified union representing workers employed by USEC, Inc., which Union and its Locals 550 at Paducah, KY and 689 at Piketon, OH are representative of an industry engaged in the manufacture, production, and enrichment of uranium in the United States. USW also represents workers employed by Honeywell, Inc., which Union and its Local 669 at Metropolis, IL are representative of an industry engaged in the conversion of uranium in the United States. USW supports the continuation of the Suspension Agreement in the above-captioned matter, and urges the Department of Commerce to cover both Low-Enriched Uranium (LEU) and Separative Work Units (SWU) under so-called "SWU Contracts" in any amendments it adopts to the Suspension Agreement to limit exports of enriched uranium products from Russia.

If the Department covers only LEU, as recently reported in the press, this would allow Rosatom and its agents to circumvent this Agreement with SWU Contracts with U.S. utilities. Both the Department and the U.S. International Trade Commission recently determined in the Second Sunset Review that it was necessary to continue this Agreement since there remained a real threat that Rosatom would resume dumping enriched uranium products in the U.S. market if this Suspension Agreement was terminated. USW testified before the USITC that if such dumping resumed, it would threaten over 1000 jobs of USW members at enrichment facilities at Paducah, KY and Portsmouth, OH and conversion facilities at Metropolis, IL. Failure to effectively cover SWU Contracts as well as LEU imports under amendments to the Suspension

Agreement would have the same devastating effect – the loss of over 1000 USW jobs.

There are currently no imports of enriched uranium products from Russia allowed under this Suspension Agreement, in addition to those permitted under the Highly Enriched Uranium (HEU) Agreement with Russia which will continue until 2013. Under the HEU Agreement, SWU from dismantled Russian nuclear warheads of HEU diluted to five (5) % or less U235 now accounts for approximately one-half of U.S. utility annual average demand for nuclear fuel for nuclear reactors used to generate electricity. The electricity generated from the U.S. nuclear plants accounts for approximately 20% of total U.S. electricity demand. USW has indicated to the Department that it would support a reasonable level of LEU and SWU imports under the Suspension Agreement following the expiration of the HEU Agreement, provided the total was no more than 20 % of total U.S. demand, and that both LEU and SWU were effectively covered. USW also urged that such amendments continue until USEC was able to complete construction of a new enrichment plant at Portsmouth, OH with at least 3.5 million SWU capacity. In 2002, USEC entered into a Memorandum of Agreement with the Department of Energy to build a new enrichment plant at Portsmouth, OH and to maintain production at the existing enrichment plant at Paducah, KY at no less than 3.5 million SWU per year through 2010, or until the new enrichment plant was fully operational. Failure to reach an agreement that will cover both SWU and LEU imports from Russia will likely result in USEC's failure to achieve either of those agreements.

We understand there are concerns about the recent decision in favor of European enrichment enterprises by the U.S. Court of Appeals that enrichment under "SWU Contracts" was a service and not manufacture of a good. The result of that decision would be that imports of SWU under SWU Contracts with those European enrichers would not be covered by U.S.

antidumping (AD) and countervailing duty laws (CVD). We believe that decision does not affect a Suspension Agreement in another case under a different law involving a different country and enricher. However, if the Department and the Administration think that an amendment to these laws would be desirable to make it clear that uranium enrichment and SWU under SWU contracts is covered by the AD and CVD laws, and that the Department and other agencies of the U.S. Government would support such an amendment, USW will urge interested Members of Congress to sponsor such an amendment.

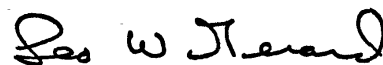
Certainly USW is concerned about the loss of the jobs of these workers, who are among those that helped win the Cold War. But, USW is also concerned that failure to address these issues in a timely and effective way will weaken U.S. national and energy security, and bring about undue dependence on foreign producers for enriched uranium fuel for U.S. electric utilities. The Administration is supporting the construction of new nuclear power plants as a necessary option for the generation of electricity in this country, in part to reduce dependence on foreign oil and conserve natural gas, and to limit and reduce carbon emissions that contribute to global warming, particularly from coal.

U.S. utilities have supported government financial assistance for construction of those new nuclear plants as necessary, given the past opposition to nuclear power and the reluctance of the financial sector to support such construction. It is also necessary to maintain an adequate domestic enrichment and conversion industry to support those plants and to avoid undue dependence on foreign sources. There is only one enrichment plant left operating in the U.S. at Paducah, KY and only one conversion plant at Metropolis, IL. Only USEC and one other company have applied to the NRC for a license to build a new enrichment plant. USW believes that it is necessary for USEC to build the new enrichment plant at Portsmouth and to continue

operations of the existing enrichment plant by USEC and the conversion plant by Honeywell in order to avoid undue dependence on foreign sources for enriched uranium. The other company is LES, which is owned and controlled by Urenco, a European consortium of enrichment enterprises in Germany, the Netherlands and the United Kingdom, which was the beneficiary of the recent USCA decision noted above. Finally, it is necessary to address the need for safe long term storage of nuclear wastes and possibly reprocessing of spent nuclear fuel to make the whole nuclear industry economically viable. None of these objectives to maintain a domestic nuclear industry will occur without strong government support and assistance.

Certainly many jobs are at risk, but the future of a domestic enrichment and conversion industry is also at risk. Loss of these jobs and this domestic industry will weaken U.S. national and energy security and increase U.S. energy dependence on foreign sources. We respectfully request that the Department not finalize any agreement with Rosatom that does not adequately cover SWU and SWU Contracts; and if an amendment to U.S. trade law is necessary, we ask that you not enter into such an agreement in this case that does not cover these issues until there has been an opportunity for Congress to consider such amendments. We also ask that you consider these comments consistent with the fact that USW is an original co-petitioner in this matter.

Respectfully submitted,



Leo W. Gerard  
International President

c: Sen. S. Brown  
Sen. J. Bunning  
Sen. R. Durbin  
Sen. M. McConnell

Sen. B. Obama  
Sen. G. Voinovich  
Rep. D. Hobson  
Rep. T. Ryan  
Rep. J. Schmidt  
Rep. J. Shimkus  
Rep. Z. Space  
Rep. E. Whitfield  
Rep. C. Wilson

**Public Certificate of Service: A-821-802  
Uranium from the Russian Federation  
Suspension Agreement**

I, Patricia Kmiecik, hereby certify that I have served a copy of the foregoing public document on the parties indicated below, by mailing a copy thereof by First Class Mail:

Philip H. Potter, Esq.  
Representative of United Steel, Paper and Forestry, Rubber, Manufacturing, Energy, Allied-Industrial and Service Workers International Union, AFL-CIO, CLC (USW)  
Law Offices of Philip H. Potter  
717 D Street, NW  
Suite 310  
Washington, DC 20004

Valerie A. Slater, Esq.  
Representative of Ad Hoc Committee of Domestic Uranium Producers  
Akin, Gump, Strauss, Hauer & Feld, L.L.P.  
1333 New Hampshire Avenue, NW  
Suite 400  
Washington, DC 20036  
Phone/Fax: 202-887-4000 / 202-887-4288  
Email: [vslater@akingump.com](mailto:vslater@akingump.com)

Eric C. Emerson, Esq.  
Representative of United States Enrichment Corporation ("USEC")  
Steptoe & Johnson  
1330 Connecticut Avenue, NW  
Washington, DC 20036-3902  
Phone/Fax: 202-429-3000 / 202-429-3902  
Email: [emerson@steptoe.com](mailto:emerson@steptoe.com)

James A. Schoettler, Esq.  
United States Enrichment Corporation  
Two Democracy Center  
6903 Rockledge Drive  
Bethesda, MD 20817  
Phone/Fax: 301-564-3311 / 301-564-3206  
Email: [schoettlerj@usec.com](mailto:schoettlerj@usec.com)

Carolyn B. Lamm, Esq.  
Representative of Nukem, Inc., AO Techsnabexport ("Tenex") and the Ministry of Atomic Energy of the Russian Federation ("Minatom")  
White & Case  
701 Thirteenth Street, NW  
Washington, DC 20005

Phone/Fax: 202-626-3600 / 202-639-9355  
Email: ALee@whitecase.com, [Tjones@whitecase.com](mailto:Tjones@whitecase.com)

Mark D. Herlach, Esq.  
Representative of Global Nuclear Services and Supply, Ltd.  
Sutherland, Asbill & Brennan  
1275 Pennsylvania Avenue, NW  
Washington, DC 20004  
Phone/Fax: 202-383-0100 / 202-637-3593  
Email:

Fletcher Newton, President  
Power Resources, Inc.  
274 Union Blvd  
Suite 310  
Lakewood, CO 80228  
Phone/Fax: 720-917-0112 / 720-917-0188  
Email: [fnewton56@aol.com](mailto:fnewton56@aol.com)

Nancy A. Fischer  
Representative of Ad Hoc Utilities Group  
Pillsbury Winthrop Shaw Pittman LLP  
2300 N Street, NW  
Washington, DC 20037-1128  
Phone/Fax: 201-663-8000 / 202-663-8007  
Email: [nancy.fischer@pillsburylaw.com](mailto:nancy.fischer@pillsburylaw.com)

Dated this 21<sup>st</sup> day of June, 2007.



---

Patricia Kmiecik